

AUTHORIZING THE ADMINISTRATOR OF GENERAL SERVICES
TO TRANSFER TO THE DEPARTMENT OF THE NAVY, WITHOUT
REIMBURSEMENT, CERTAIN PROPERTY AT FORT WORTH, TEX.

JUNE 27, 1952.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. DAWSON, from the Committee on Expenditures in the Executive
Departments, submitted the following

REPORT

[To accompany S. 3051]

The Committee on Expenditures in the Executive Departments, to whom was referred the bill (S. 3051) to authorize the Administrator of General Services to transfer to the Department of the Navy, without reimbursement, certain property at Fort Worth, Tex. (companion bill H. R. 7547), having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The committee adopts the report of the Senate, as set forth in Senate Report No. 1730, which is attached and made a part hereof.

[S. Rept. No. 1730, 82d Cong., 2d sess.]

GENERAL STATEMENT

The purpose of the proposed legislation is to authorize the Administrator of General Services to transfer the Globe Aircraft plant, which was declared in excess to the needs of the Reconstruction Finance Corporation, to the Department of the Navy, without reimbursement or transfer of funds. The plant and appurtenances covered by this bill consists of approximately 156%₁₀ acres of land together with a one-story factory-type building (180 by 432 feet) and a number of small one-story auxiliary buildings which are used for parts storage, paint shop, machine shop, pump house and for other similar supply or service purposes. During World War II, the Globe Aircraft Corp. utilized this property for the manufacture and assembly of aircraft parts and materials. When the property was vacated after the war, the Reconstruction Finance Corporation was unable to find anyone who could use it, and therefore notified the War Assets Administration (predecessor of GSA) that the property was in excess to its needs, and may be disposed of as surplus.

In 1950, the Department of Defense made a determination that this property was usable and needed for defense purposes, whereupon an agreement was entered into with the General Services Administration authorizing the Department of Defense to utilize the property under a temporary permit arrangement until the enactment of legislation authorized its permanent transfer to that Department. Early in 1951 the plant was reactivated under the temporary agreement, and made available to the Bell Aircraft Corp., who is presently utilizing the property under a standard facilities contract agreement with the Department of the Navy.

The original cost of the land, buildings, and improvements contained in this property was \$611,000. However, in 1950 the General Services Administration appraised the property at \$1,055,000, and the present reproduction cost would exceed the appraised value.

It is understood that the main assembly plant and adjoining buildings are structurally sound, but it will be necessary to replace some equipment and to make certain improvements in electrical wiring, plumbing, and fixtures in order to increase production. These additions, together with some repairs that are necessary to the buildings, indicate the desirability of transferring the property to the Department of the Navy. The Bell Aircraft Corp. has several contracts with the Department of the Navy for supplying aircraft components, and when these contracts are completed the committee has been informed that the plant will be used for the manufacture of helicopters for the Department of Defense. Inasmuch as the use of this facility in connection with the defense aircraft production program is essential, the committee recommends that its permanent uninterrupted use be secured by the Department of the Navy.

The General Services Administration does not have authority to transfer this property without reimbursement, and the Navy Department does not have funds in its appropriations to pay the fair market value for the property. Should such a transaction be consummated the net result would be the transfer of the property from one Government agency to another with the proceeds from the sale thereof deposited into miscellaneous receipts of the Treasury.

The proposed legislation was included in the 1952 legislative program of the Department of Defense. The transfer proposed by this bill was approved by the Bureau of the Budget and the General Services Administration. The reports received by your committee from these agencies are attached hereto and made a part of this report.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 7, 1952.

HON. JOHN L. McCLELLAN,
Chairman, Senate Committee on Government Operations,
Senate Office Building, Washington 25, D. C.

MY DEAR SENATOR McCLELLAN: This will acknowledge your letter of April 25, 1952, requesting the comments of the Bureau of the Budget on S. 3051, a bill to authorize the Administrator of General Services to transfer to the Department of the Navy, without reimbursement, certain property at Fort Worth, Tex.

The purpose of this bill is to authorize the transfer, without reimbursement, of the Globe Aircraft plant at Fort Worth, Tex., from General Services Administration to the Navy Department.

As you know, S. 3051 is a part of the 1952 legislative program of the Department of Defense. The need for its enactment is indicated in a justification which, it is understood, has been submitted directly to your committee.

For the reasons set out in the above-mentioned justification, the Bureau of the Budget recommends that S. 3051 be enacted into law.

Sincerely yours,

F. J. LAWTON, *Director.*

GENERAL SERVICES ADMINISTRATION,
Washington 25, D. C., May 19, 1952.

HON. JOHN L. McCLELLAN,
Chairman, Committee on Government Operations,
United States Senate, Washington, D. C.

DEAR SENATOR McCLELLAN: This is in reply to your letter of April 25, 1952, which requested the views and recommendations of this Administration on S. 3051, to authorize the Administrator of General Services to transfer to the Department of the Navy, without reimbursement, certain property at Fort Worth, Tex.

This bill would authorize the Administrator of General Services to transfer to the Navy Department, without reimbursement, the Globe Aircraft plant, Fort Worth, Tex.

The Department of the Navy is now using this facility and we recommend the enactment of this bill which will place the Navy in full control of all land comprising this facility and improvements thereon.

The Bureau of the Budget has informally advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

JESS LARSON, *Administrator.*